

**HOUSING AUTHORITY OF UTAH COUNTY**

**FINANCIAL STATEMENTS**  
***(WITH AUDITOR'S REPORTS)***

**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

# HOUSING AUTHORITY OF UTAH COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of Utah County  
Provo, UT

March 6, 2006

We have audited the accompanying basic financial statements of the business type activities, which collectively comprise the financial statements of Housing Authority of Utah County, as of and for the year ended September 30, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

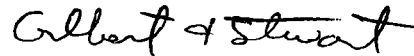
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Housing Authority of Utah County as of September 30, 2005, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 6, 2006 on our consideration of Housing Authority of Utah County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The accompanying Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the Housing Authority's basic financial statements of the business-type activities that collectively comprise the basic financial statements. The statements listed in the supporting information section of the table of contents, the Schedule of Expenditures of Federal Awards listed in the single audit section of the table of contents, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Financial Data Schedule listed in the HUD schedule section of the table of contents, as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the financial statements of Housing Authority of Utah County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



GILBERT & STEWART  
*Certified Public Accountants*

# **Management Discussion and Analysis**

Fiscal Year Ending 30 September 2005

## **Mission of the Housing Authority of Utah County**

The Housing Authority of Utah County is a political subdivision of the State of Utah. We operate under the direction of an independent Board of Commissioners, five persons that the Utah County Commissioners have appointed and who serve voluntarily. The Housing Authority Board of Commissioners meets monthly to conduct the Housing Authority's business and set policy.

## **Rental Assistance**

The Housing Authority provides housing assistance to low-income persons and families who are income eligible. We provide direct rental assistance to approximately 900 households throughout Utah County. Members of each household pay approximately thirty percent of their income toward rent and utilities and the Housing Authority pays the balance directly to property owners or their agents. The United States Department of Housing and Urban Development's (HUD) Housing Choice Vouchers Program provides funding for this assistance.

## **Housing Authority Owned properties**

The Housing Authority also owns and manages 106 residences designated as Housing and Urban Development low-rent public housing, and another 51 residences that we have acquired with Housing Authority funds or in combination with tax credit funding and loans or grants from the HOME Investment Partnership. We rent those dwellings to income eligible persons and families who pay approximately 30 percent of their income for rent. Most of these homes house large families. The Housing Authority built or acquired dwellings for large families because of the unavailability of such housing in the private rental market. The balance of Housing Authority owned dwellings serve special needs populations, including: the mentally ill, disabled, victims of domestic violence, the elderly, and farm workers.

Subsidies from the United States Department of Housing and Urban Development help the Housing Authority manage and maintain public housing residences. A Capital Fund Program from HUD provides funding for major improvements on public housing residences.

Most of the residents in the additional Housing Authority-owned dwellings hold Housing Choice Vouchers, which helps the Housing Authority fund operating costs for those dwellings.

## **Weatherization**

Our Weatherization Assistance Program helps eligible low-income families reduce energy costs in their homes throughout Utah, Wasatch and Summit Counties. With the Weatherization Program, we help families save energy and improve comfort and safety in their homes with insulation, doors and windows, furnace tune-ups, smoke and carbon monoxide detectors and energy education. Using Weatherization assistance, we may add insulation in attics, walls, and subfloors; repair or replace windows, furnaces, water heaters and refrigerators; check indoor air quality and determine adequate ventilation; add temperature setback thermostats and compact fluorescent lighting; and check for lead hazards in the areas in which we work.

The United States Department of Energy, the Low Income Home Energy Assistance Program and several smaller programs provide funding for Weatherization assistance. During fiscal year 2005, we weatherized 200 homes with material, labor and administrative expenses of \$865,194 (in contrast to 220 homes for \$872,504 in fiscal year 2004). And during fiscal year 2005, the Weatherization program acquired a portable generator for \$3,502 and a new cargo van for \$17,005.

## **Home rehabilitation loans**

The Housing Authority loans money to income eligible homeowners to repair their homes and bring them into compliance with local building codes. These are low interest loans and funding is from the HOME Investment Partnership Program or from a limited corpus the Housing Authority acquired from the State of Utah. Housing Authority loans through the HOME fund are assets of either the Utah Valley Consortium of Cities and County or the State of Utah, who hold the notes on those loans.

The assistance that we provide through the above programs strengthens families and improves neighborhoods and communities. Addressing housing needs among low and moderate income persons stabilizes children and families with some of the most basic needs, and helps them become productive in their communities. Our assistance is often the bridge from homelessness to home ownership. In addition, we operate a Family Self-Sufficiency program to help participants overcome barriers to independence. Many program graduates have become homeowners.

In many other instances, we are helping the elderly and those with mental or physical disabilities who may not become self-sufficient on their own. Without assistance, these persons would be homeless. The Housing Authority, in this way, lifts a significant burden and provides service with a meaningful impact in the community.

## **Important events and accomplishments**

### **Hollow Park**

In June 2004, the Housing Authority completed construction of Hollow Park, a 2,200 square foot facility in Lindon for severely disabled persons. Three residents and a 24-hour per day care giver occupy the 2,200 square foot facility. Lindon City leased the land for \$1 per year on a 99-year lease. The HOME Investment Partnership provided a 30-year, no interest loan of \$218,000 for the construction. Danville Services, an adult disability care provider, leases the property from the Housing Authority and manages the home.

### **Spring Lake Farm Labor**

During fiscal year 2004, the Housing Authority completed our Spring Lake Farm Labor project, a facility with thirteen residences for farm laborers. Spring Lake is midway between Payson and Santaquin. In August 2004, the Housing Authority obtained the Certificate of Occupancy and held an open house. The thirteen dwellings at Spring Lake Apartment Community are approximately 1,100 square feet each. In 2005, we completed finishing touches and reached full occupancy.

To build the \$1.57 million project, the Housing Authority partnered with the United States Department of Agriculture, the HOME Improvement Partnership, and the Federal Home Loan Bank of Seattle. USDA provided a loan of \$780,000 and HOME a loan of \$650,000, both at one percent interest for a 33-year term. The Federal Home Loan Bank provided a grant of \$90,000. The Bank of American Fork provided a construction loan, and the Housing Authority provided the balance of funds.

### **Stratton**

The Housing Authority executed a contract to purchase the Stratton Property duplex, adjacent to our Sunflower facility in Orem, at the end of September 2003 for \$158,000. During fiscal years 2004 and 2005, we planned and began refurbishing the duplex. We completed approximately \$79,000 in rehabilitation in January 2006. Stratton has two residences with 831 square feet each and 800 unfinished square feet in the basement. Funding is from the HOME Investment Partnership. The Stratton facility is available to families with special needs, including those with mental disabilities, victims of domestic violence, and other low-income households.

### **Ongoing activities**

The Housing Authority owns Sunflower, an Orem facility we developed in 2000. Sunflower is very similar to Hollow Park, noted above, and also houses three severely disabled persons. Chrysalis, an adult disability care provider, leases the property from the Housing Authority and provides 24-hour a day care to the residents.

The Housing Authority owns and manages Willow Cove, Yarrow Apartments, and Carillon Court. Funding for Willow Cove and Carillon Court came from partnerships with private investors utilizing tax credits, the HOME Investment Partnership and the Housing Authority. Funding for Yarrow Apartments came from State and local HOME Investment Partnership loans and the Housing Authority.

Willow Cove, developed in 1993, includes eight dwellings and serves victims of domestic violence. Yarrow Apartments has 17 residents in nine apartments and serves clients of Wasatch Mental Health. Carillon Court, finished in late 2000 and occupied in January 2001, has 16 handicap accessible, one-bedroom apartments. Carillon Court serves income eligible senior citizens 62 years of age and older.

Outstanding debt on these projects at 2005 fiscal year end:

Yarrow Apartments	\$479,896
Monson building	\$29,458
Sunflower	\$170,025
Hollow Park	\$126,742
Stratton	\$157,570
Spring Lake Apartments	\$1,396,887
Total	\$2,360,578

### **Major upgrade to accounting system**

Toward the end of fiscal year 2004 and the beginning of fiscal year 2005, the Housing Authority replaced antiquated accounting software with a modern accounting system. Many of the reporting functions and other modules of the former system no longer worked. The manufacturer of the former system ceased accounting software operations and has not supported the product since 1999.

During 2004, we researched fund accounting software and contracted for The Financial Edge from Blackbaud. Blackbaud, based in Charleston, South Carolina, produces financial software strictly for nonprofit organizations. Purchase and training began at the end of fiscal year 2004 and implementation began in fiscal year 2005.

### **Introduction to financial statements**

Housing Authority management provides this brief discussion, analysis and overview of our activities during the fiscal year ending 30 September 2005 to help readers understand the accompanying financial statements. We encourage readers to consider this overview together with the financial statements and associated notes.

The Housing Authority of Utah County is subject to Governmental Accounting Standards Board Statement Number 34 for fiscal years starting in 2004. This ruling requires government entities to report infrastructure and depreciate capital assets. The ruling also



requires full accrual accounting. Full accrual accounting posts revenue and expense on the date earned or incurred, regardless of the timing of any cash exchange.

In addition, GASB 34 requires employing Generally Accepted Accounting Principles for Governmental Entities, which facilitates ease of understanding and comparison of financial statements to a business entity. New reporting requirements mandate that we identify equity accounts, previous years' contributed capital and retained earnings, as net assets. Another explanation of net assets is the difference between the cost of land and structures and the outstanding debt on those assets, which equals our ownership, or equity.

Current requirements also mandate that we identify net assets as the amount invested in capital assets and as unrestricted net assets. The synopsis below and the accompanying financial statements follow the requirement.

Beyond an overview of our principal activities that drive our financial status, in the Management Discussion and Analysis section of the Financial Statements we report on three main financial statements:

1. Statement of Net Assets, or the balance sheet—consolidated
2. Statement of Revenues and Expenses, or the income statement—consolidated
3. Statement of Cash Flows—consolidated

### Statement of Net Assets

	30-Sep-04	30-Sep-05	Variance
<b>Cash and investments</b>	\$898,209	\$1,050,713	\$152,504
<b>Other current assets</b>	\$550,219	\$380,634	(\$169,585)
<b>Capital assets net of depreciation</b>	\$8,935,782	\$8,729,699	(\$206,083)
<b>Other non-current assets</b>	\$795,587	\$794,314	(\$1,273)
<b>Total assets</b>	\$11,179,797	\$10,955,360	(\$224,437)
 <b>Current liabilities</b>	 \$404,741	 \$472,038	 \$67,297
<b>Noncurrent liabilities</b>	\$2,415,895	\$2,361,030	(\$54,865)
<b>Total liabilities</b>	\$2,820,636	\$2,833,068	\$12,432
 <b>Net assets</b>			
<b>Invested in capital assets, net of debt</b>	\$6,500,184	\$6,369,122	(\$131,062)
<b>Unrestricted net assets</b>	\$1,858,977	\$1,753,170	(\$105,807)
<b>Total net assets</b>	\$8,359,161	\$8,122,292	(\$236,869)
 <b>Total liabilities and net assets</b>	 \$11,179,797	 \$10,955,360	 (\$224,437)

Differences in current assets from 2004 to 2005, including cash and receivables, largely reflect timing differences of funding from the Department of Housing and Urban

Development (HUD) and from Weatherization contracts and the receivables for these contracts. The difference between cash and receivables together is a reduction of \$17,081 from fiscal year end 2004 to fiscal year end 2005.

While capital assets net of depreciation appears to have decreased \$206,083, in reality capital assets increased \$308,672. However, subsequent to depreciation expense of \$514,755, the account shows a \$206,083 decrease. Our depreciable capital assets increased with conversion of Spring Lake Apartments from work-in-progress to a depreciating capital asset. We also began extensive remodeling of the lower level of the Monson building (our offices) during fiscal year 2005. Our accounting and information systems department moved to the lower level in early 2006, expanding available space for our rental assistance team on the upper level.

Current liabilities increased as a deferred payment note on Yarrow Apartments became current and we began making payments on additional portions of Yarrow Apartments debt. Note that overall liabilities increased \$12,432, or 0.4 percent from fiscal year 2004 to fiscal year 2005.

The decrease in total net assets principally reflects depreciation expense, as mentioned above. Although our capital assets continue to depreciate with use, we continually upgrade these assets with capital improvements and/or replacements as needed in property and equipment.

## Statement of Revenues and Expenses

	30-Sep-04	30-Sep-05	Variance
<b>Operating revenues</b>			
Tenant revenue	\$414,745	\$488,563	\$73,818
Federal sources	\$6,924,056	\$7,051,128	\$127,072
Other	\$174,779	\$67,232	(\$107,547)
<b>Total revenues</b>	<b>\$7,513,580</b>	<b>\$7,606,923</b>	<b>\$93,343</b>
<b>Operating expenses</b>			
Wages and benefits	\$1,003,202	\$1,110,744	\$107,542
Administrative	\$169,685	\$181,059	\$11,374
Depreciation	\$474,098	\$514,755	\$40,657
Housing Assistance	\$5,335,212	\$5,292,444	(\$42,768)
Program materials	\$926,382	\$942,060	\$15,678
<b>Total operating expenses</b>	<b>\$7,908,579</b>	<b>\$8,041,062</b>	<b>\$132,483</b>
<b>Operating income (loss)</b>	<b>(\$394,999)</b>	<b>(\$434,139)</b>	<b>(\$39,140)</b>

	30-Sep-04	30-Sep-05	Variance
<b>Nonoperating revenues (expenses)</b>			
Partnership gain (loss)	(\$19)	\$66	\$85
Contribution from partnership			
Interest income	\$5,324	\$28,056	\$22,732
Interest expense	(\$20,498)	(\$33,396)	(\$12,898)
Total nonoperating revenues (expenses)	(\$15,193)	(\$5,274)	\$9,919
Capital fund program, federal contribution	\$196,559	\$202,544	\$5,985
Net income (loss)	(\$213,633)	(\$236,869)	(\$23,236)
Net assets, beginning	\$8,572,794	\$8,359,161	(\$213,633)
Net assets, ending	\$8,359,161	\$8,122,292	(\$236,869)

### Revenues

Tenant revenues increased slightly, reflecting a limited increase in revenue from Spring Lake Apartments and a very minor increase in forfeitures of family self-sufficiency escrowed funds from households that did not meet program goals or exited the program.

Revenues from federal sources increased with subsidies from the United States Department of Agriculture for Spring Lake Apartments and a small increase in housing assistance payments from HUD. Unfortunately, while housing assistance payments increased slightly, the administrative reimbursement decreased without any reduction in regulatory burdens.

A substantial decrease in other operating revenues reflects the reduction of most of the Weatherization grants from Questar, Utah Power and Light and the Petroleum Violation Escrow, from approximately \$107,000 in fiscal year 2004 to approximately \$32,000 in fiscal year 2005. Section 8 paybacks decreased more than \$20,000 from fiscal year 2004 to fiscal year 2005.

### Expenses

Overall operating expenses increased 1.675 percent from fiscal year 2004 to fiscal year 2005. Wages and benefits increased 10.72 percent (or \$107,542 from fiscal year 2004 to 2005) following a salary survey wage increase. While the following increases were not in effect for the entire fiscal year, the salary survey and cost of living increases bolstered annual wages \$86,920 between January 2004 and July 2005; annual retirement benefits on these amounts increased approximately \$21,160 and the Housing Authority's portion

of health insurance increased \$21,156 annually during the same period. The salary survey increases, which the Housing Authority implements approximately once each three years, brought earnings to nearly 90 percent of what the study indicated were market wages for most positions. Housing Authority management feels that salary levels are conservative for our market and is making an effort to keep earnings and benefits competitive.

Administrative costs increased slightly as we managed increasing regulatory requirements and have increased owned residences with Spring Lake Apartments and began rehabilitating the Stratton property. Depreciation increased significantly when we added Spring Lake Apartments to our pool of depreciable assets—for most of last year Spring Lake Apartments were work-in-progress.

Housing Assistance Payments decreased overall by \$42,768 as a result of efforts to balance the housing assistance budget. During fiscal year 2004, the Housing Authority subsidized an average of approximately 952 households. Due to nationwide spiraling increases in the cost of administering the Housing Choice Voucher Program from 2000 to 2003, Congress mandated across-the-board assistance cuts in fiscal years 2004 and 2005.

The Consolidated Appropriations Act of 2004 modified the method HUD used to calculate renewal funding in the Housing Choice Voucher Program for Housing Assistance Payments and administrative expenses, and prohibited the use of fiscal year 2004 funds for over-leasing. In effect, the Act said that renewal units would be funded at the per unit costs reported to HUD as of August 2003. Implementation of the law created significant problems for our agency. During that time, HUD recaptured more than \$300,000 of program reserves that we relied on to fund housing related projects and expenses, and retroactively reduced our funding for housing assistance payments and administrative costs.

Soon thereafter, HUD required Housing Authorities to implement an administratively burdensome Rental Housing Integrity Improvement Program which required extensive time and resource commitment to verify tenant reported income. Consequently, the Housing Authority reduced the number of households we could subsidize to approximately 900 in fiscal year 2005. This resulted in a corresponding decrease in assistance levels.

Program material costs in this and other programs increased slightly with market increases in the costs of goods and services. Increased income verification procedures that HUD mandated caused telephone, fax and copying costs to increase significantly. Also, note that in Weatherization, we served 10 percent fewer households in fiscal year 2005 than in 2004. In our 106 public housing residences, we have sustained operating fund reductions at the same time that average rent revenues have declined due to servicing a lower-income family population than previously. Regulation requires that 40 percent of our renters be at or below 40 percent of adjusted median income.

Transportation and maintenance costs also increased during the same period and continue to increase.

### **Income/Loss**

Our income statement shows an operating loss and net loss. As indicated earlier, depreciation expenses of \$514,755 significantly impacted our operating margin. Adding depreciation expense into the year-end loss of \$434,139 would render an operating profit of \$80,616. The Capital Fund Program is a grant from HUD that provides funding for major improvements on public housing residences, and reduced the net loss to \$236,869, reducing our net assets by the same amount to \$8,122,292 at fiscal year-end 2005 (from \$8,359,161 at fiscal year-end 2004).

### **Operating Revenues by program**

	30-Sep-04	30-Sep-05	Variance
HOME Investment Partnership	\$793	\$59,339	\$58,546
Energy Education	\$2,432	\$4,296	\$1,864
PH Drug Elimination Program	\$3,139	\$0	(\$3,139)
Capital operating grant	\$41,102	\$34,248	(\$6,854)
State & Local programs	\$108,217	\$32,038	(\$76,179)
Shelter Plus Care	\$138,731	\$188,603	\$49,872
Business Activities	\$169,094	\$305,179	\$136,085
Public Housing	\$421,267	\$424,763	\$3,496
Low Income Home Energy Assistance	\$426,004	\$547,685	\$121,681
Department of Energy	\$453,111	\$291,151	(\$161,960)
Housing Choice Vouchers	\$5,749,690	\$5,719,622	(\$30,068)
Total operating revenue	\$7,513,580	\$7,606,924	\$93,344
Interest income	\$5,324	\$28,056	\$22,732
Capital fund grant	\$196,559	\$202,544	\$5,985
Total revenues	\$7,715,463	\$7,837,524	\$122,061

State and local programs include small Weatherization grants from Questar, Utah Power and Light, the Petroleum Violation Escrow and any interest income from small home rehabilitation loans and the corpus of the housing rehabilitation loan fund from the State of Utah. Business activities include Weatherization's Fee For Service program; rents from Housing Authority owned properties including the Stratton and Anderson properties, Sunflower, Hollow Park, Yarrow Apartments, and Spring Lake Apartment Community.

The difference in income from the HOME Investment Partnership reflects a different accounting treatment from 2004. In 2005, rehabilitation loans that the Housing Authority extended on behalf of the Utah Valley Consortium of Cities and County and the Utah Division of Community and Economic Development became income when those entities reimbursed loan proceeds from nominal home rehabilitation loans that we administered. In 2004 and previously, we considered these loans as pass-through amounts and did not count them as income. The Housing Authority furnishes the loan proceeds for these

rehabilitation projects until UVCCC and UDCED reimburse those amounts and take the loans.

The total of the capital operating grant and the capital fund grant, composing the Capital Fund Program, was \$237,661 in 2004 and \$236,792 in 2005, or a minimal difference of \$869. This HUD grant is to provide capital improvements to public housing stock and to provide operating cash for public housing maintenance. In fiscal year 2006, HUD has approved our classifying the majority of this grant as operations, which will provide increased latitude in determining its use.

The difference in State and Local programs were treated above, where we noted significant reductions in Questar, Utah Power and Light and Petroleum Violation Escrow grants. Business Activities revenue increased substantially (along with expenses) as a result of operating subsidies from the United States Department of Agriculture for Spring Lake Apartments.

The total Weatherization grants from the Low Income Home Energy Assistance Program and the Department of Energy fell \$40,279 from \$879,115 in 2004 to \$838,836 in 2005. An interpretation of regulation at the Department of Energy concerning the administrative funding of Weatherization contracts has also significantly impacted us. DOE has interpreted a regulation limiting administrative funding to 10 percent of contracts up to \$350,000 and five percent thereafter to mean a five percent limit on the entire contract if the contract is above \$350,000. Since this interpretation does not appear logical in the least, Housing Authority management is in process of appealing the interpretation. We do not feel that adequately operating and managing the Weatherization program is feasible with significantly reduced administrative funding. As an example, this interpretation provides administrative funding for a contract of \$349,999 at \$34,999.90 while a contract of \$350,001 calculates to administrative funding of \$17,500. To date, we have no indication of what the final outcome will be.

## Statement of Cash Flows

	30-Sep-04	30-Sep-05	Variance
<b>Cash flows from operating activities</b>			
Tenants, fees and services	\$475,648	\$489,003	\$13,355
Federal grants	\$7,053,799	\$7,152,085	\$98,286
Other grants	\$91,539	\$32,037	(\$59,502)
Payments to suppliers	(\$1,268,225)	(\$962,215)	\$306,010
Housing Assistance	(\$5,335,212)	(\$5,292,444)	\$42,768
Wages and benefits	(\$981,462)	(\$1,079,367)	(\$97,905)
<b>Net cash from operating activities</b>	<b>\$36,087</b>	<b>\$339,099</b>	<b>\$303,012</b>

**Cash flows from non-operating activities**

Cash flows from capital and financing			
Acquiring and constructing capital assets	(\$505,343)	(\$308,673)	\$196,670
Sale of land	\$122,355		(\$122,355)
Capital grants	\$196,559	\$202,544	\$5,985
Issuance of debt	\$465,106		(\$465,106)
Interest	\$44,154	(\$33,501)	(\$77,655)
Reduction of notes payable	\$30,674	(\$75,021)	(\$105,695)
<b>Net cash from capital and financing</b>	<b>\$353,505</b>	<b>(\$214,651)</b>	<b>(\$568,156)</b>
Interest income	\$5,324	\$28,056	\$22,732
<b>Net increase in cash and cash equivalents</b>	<b>\$245,260</b>	<b>\$152,504</b>	<b>(\$92,756)</b>
Cash and equivalents, beginning of year		\$898,209	
Cash and equivalents, end of year		\$1,050,713	

The cash flow statement reflects the path of cash receipts and expenditures during the year's operations. In paragraphs above, we explained revenues, expenses and variances, and the cash flow path largely mirrors those explanations. Some timing differences exist between the dates of accrued revenues and expenditures and the dates that actual receipts and disbursements occurred. Cash flows from acquiring and constructing capital assets fell significantly when we completed Spring Lake Apartments, as did the influx of cash from financing activities related to construction. An increase in the reduction of notes payable reflects loan payments on those new facilities and the end of payment deferral periods on notes for Yarrow Apartments. The Housing Authority has had and continues to have adequate cash and equity to fund operations.

The sale of land in the above 2004 statement refers to certain Meadowbrook properties the Housing Authority acquired while planning the farm labor project. Subsequent to original plans, we acquired the Spring Lake property and liquidated the Meadowbrook properties.

## **2006 and beyond**

### **Operating income**

As noted in last year's management discussion and analysis, during fiscal year 2004 HUD recaptured program reserves by withholding rent subsidies, forcing the Housing Authority to spend equity, or reserves, to fulfill rental assistance contracts for 952 households. Since that time, HUD has reduced funding of rent subsidies to a more restricted basis and the Housing Authority of Utah County has reduced the number of households we subsidize to approximately 900 families and individuals.

HUD also provides Housing Authorities an administrative fee to operate rental assistance programs. However, HUD has reduced the administrative fees that Housing Authorities use to operate assistance programs, pay salaries and benefits, and comply with legal and administrative regulations. At the same time, HUD has significantly increased the administrative burden and regulations with which we must comply to operate assistance programs with the implementation of the Enterprise Income Verification (EIV) program.

Some discussion has occurred at the federal level of reducing certain administrative tasks, including inspecting subsidized homes every two years rather than annually, and reducing the frequency of recertifying eligibility for assisted persons and families. HUD continues to promote this agenda through the State and Local Flexibility Act which Congress is currently considering. With increased administrative burdens and reduced administrative reimbursements, we anticipate further erosion of operating reserves, now called net assets. We anticipate the rate of reserve erosion, however, to occur much more slowly than in fiscal year 2004 when HUD withheld rental subsidies.

We anticipate funding reductions of our 106 public housing residences related to the 2006 operating and capital funds for the coming year and the near future. The Capital Fund Program will continue to provide for major maintenance and rehabilitation of these residences, and a growing portion of the public housing operating budget. However, the capital fund is not adequate to meet all of our anticipated repairs in the future. As indicated earlier, rent revenues on public housing residences have fallen while maintenance costs have risen. Rental income on other properties, including Willow Cove, Yarrow Apartments, Carillon Court, Sunflower and Hollow Park should meet operating expenses but we anticipate marginal reserves.



## **Future Activities**

### **Public Housing**

With the Capital Fund Program in 2005, we have improved roofs, siding, sidewalks, exterior work and decks. In the near future, we expect to improve windows, roofs and landscaping, and interior improvements including cabinetry, carpets and handrails. The Capital Fund grant for fiscal year 2006 is \$215,456 (down from \$223,318 in 2005) and we anticipate a reduced grant in 2007. We utilize these funds for capital improvements, public housing operations, major management improvement equipment (including computer software), and other approved projects.

Because we plan and obligate funds from these grants first and then expend them as we complete the work, the statement of cash flow figures are slightly different than the combined capital funds noted in revenues and expenses. Each CFP grant, in that way, extends beyond our fiscal year and we may expend capital grants from a previous year during a current year, and some from a current year in the following fiscal year.

Long range plans for public housing include liquidating three high maintenance properties and replacing them with three size comparable properties.

### **Self-Sufficiency**

The Housing Authority operates a Family Self-Sufficiency program in both the Public Housing and the Section 8 rental assistance programs. Since Housing and Urban Development removed administrative reimbursements to operate the program, the Authority has applied for a grant to continue making this valuable program available for Section 8 rental assistance recipients. However, our public housing FSS program will discontinue in the future due to the lack of federal funds. We will continue to administer the FSS program for existing public housing FSS clients until their contracts end or they graduate from the program. In addition, staff are searching for other funding sources to continue the program for public housing residents. The self-sufficiency programs speed participants on the road to independence with educational assistance, goals, child care, career advancement and a savings program.

### **The homeless**

Much focus in our current political environment emphasizes sheltering the homeless, and recognizing and addressing their needs. In concert with the area Continuum of Care Committee, the Housing Authority has begun implementing two HUD programs that focus on helping homeless populations with rental assistance to help provide adequate shelter.

"The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources

outside the program.” Shelter Plus Care is a long-term program “for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters [or who are victims of domestic violence]. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.”<sup>1</sup>

The Continuum of Care program helps “homeless people who do not use shelters and are typically...on the streets, in abandoned buildings, or in other places not meant for human habitation.” The program includes “a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency....[A]ction steps to end homelessness and prevent a return to homelessness” are part of the plan. The Housing Authority uses tenant-based rental assistance to help these persons move “toward permanent housing and independent living.”<sup>2</sup> We collaborate with other community agencies to effectively provide housing these persons desperately need.

To continue to address the needs of the homeless in our community, the Housing Authority will pursue additional funding opportunities to help these persons. Under the “Housing First” concept, our rental assistance program is vital to move the homeless toward permanent housing. The “Housing First” paradigm refers to placing the homeless directly into permanent housing—rent subsidized or public housing—instead of the traditional system of sheltering them for a short time with the prospect that soon they will be back on the street.

The Housing Authority of Utah County assisted the State of Utah in providing references and housing options to victims of the Katrina hurricane natural disaster at the end of calendar year 2005 and the beginning of 2006. Although we did not receive assistance from the Federal Emergency Management Agency, we housed one extended family in one of our public housing residences for a brief period of time. Part of the family has returned and occupies one of our residences.

### **Spring Lake**

Throughout fiscal year 2005, a sister agency (Rural Housing Development Corporation) managed our Spring Lake Apartment Community, mentioned above. Starting in October 2005, the Housing Authority acquired software to meet United States Department of Agriculture reporting requirements and has managed Spring Lake instead of the outside agency. Overall, Housing Authority management of Spring Lake should positively

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<sup>1</sup>HUD Website, <http://www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm>

<sup>2</sup>HUD Website, <http://www.hud.gov/offices/cpd/homeless/library/countinghomeless/index.cfm>

impact our income statement. Housing Authority staff have the experience and capacity to best manage the property within all legal parameters.

#### **Elder housing**

Carillon Court, mentioned above, currently serves a small segment of our senior population. The sixteen residences at Carillon Court have always had a waiting list and very low vacancy. Since our community has need for affordable rental housing to income eligible seniors, the Housing Authority plans to develop additional senior housing in the near future. Pending land acquisition and funding, we anticipate building an additional elder housing facility in Orem in 2007.

#### **Yarrow Apartments**

We plan to repair and repaint all handrails at Yarrow Apartments, our facility housing Wasatch mental health patients (mentioned above). We will install a french drain system to direct water runoff from the roof and gutters into the ground. We estimate these repairs at \$6,000. We also anticipate installing awnings to cover the balcony, stairs and entrances on all four sides of the structure, at an estimated cost of \$30,000. The Housing Authority is planning a four-plex for eight Wasatch mental health clients in the north section of Utah County (Orem, Lindon or Pleasant Grove), and the HOME Investment Partnership has committed \$375,000 toward that goal.

#### **Sunflower**

We have requested \$15,000 from the HOME Investment Partnership to construct a parking lot turn-around for paratransit vehicles at our Sunflower facility for severely handicapped residents.

#### **Home**

The Housing Authority has requested an additional \$110,000 from the HOME Investment Partnership to extend low-interest loans to low-income homeowners. These loans help with rehabilitation projects and help bring homes into compliance with building codes. The loans generally range from \$1,000 to \$20,000.

#### **Monson building**

From March 2005 through March 2006, the Housing Authority completed remodeling our lower level, principally to allow more space in the upper level for our rental assistance staff. We moved our board room walls to provide adequate space for two offices on the south side of the building for our assistant public housing manager and modernization manager. The maintenance staff now meets adjacent to those offices.

We relocated our servers, hubs and network portals to the center section of our lower level. Four offices and a small meeting room on the north side of the lower level house our information systems and accounting staff. We moved our archive room to the west

side of the building and utilize some space in the upper level of our Weatherization warehouse for additional archiving. The cost of the remodel, including furniture, was \$22,601. Getting the staffs of these three departments together in respective areas of the building has improved efficiency, convenience and comfort. In 2006, we plan to repair the Monson building roof at an approximate cost of \$10,000.

## **Financial Contact**

Readers with questions concerning this discussion or the Housing Authority's financial condition may contact our Financial Data Manager, L. Charles Larsen at (801) 373-8333, ext. 109, or in writing to Housing Authority of Utah County, 240 East Center Street, Provo, Utah 84606.

## **BASIC FINANCIAL STATEMENTS**

# HOUSING AUTHORITY OF UTAH COUNTY

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2005

### ASSETS

#### Current Assets

Cash and Investments	\$	1,050,713	
Receivables		311,587	
Inventory		59,455	
Prepaid Expenses		5,800	
Rehabilitation Loans - Current Portion		3,792	
Total Current Assets			\$ 1,431,347

#### NonCurrent Assets

Rehabilitation Loans Less Current Portion		24,134	
Investment in Tax Credit Partnerships		770,180	
Capital Assets:			
Land		1,308,260	
Building and Equipment		11,215,184	
Construction in Progress		418,201	
Total		13,735,959	
Less: Accumulated Depreciation		(4,211,946)	
Total NonCurrent Assets			9,524,013
Total Assets			\$ 10,955,360

### LIABILITIES

#### Current Liabilities

Accounts Payable, Payroll and Related Liabilities	\$	245,493	
Deferred Revenue		2,334	
Rental Deposits		54,511	
Current Portion Family Self-Sufficiency Escrow		45,785	
Current Portion Compensated Absences		43,521	
Current Portion Long-Term Debt		80,394	
Total Current Liabilities			\$ 472,038

#### NonCurrent Liabilities

FSS and Compensated Absences Less Current Portion		80,847	
Long-Term Debt Less Current Portion		2,280,183	
Total NonCurrent Liabilities			2,361,030
Total Liabilities			2,833,068

### NET ASSETS

Invested in Capital Assets (net of related debt)		6,369,122	
Unrestricted		1,753,170	
Total Net Assets			\$ 8,122,292

See accompanying notes to financial statements

**HOUSING AUTHORITY OF UTAH COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

<b>Operating Revenues</b>		
Tenant Revenue	\$ 488,563	
Federal Sources	7,015,351	
Other	67,232	
Total Operating Revenues		\$ 7,571,146
<b>Operating Expenses</b>		
Salaries & Wages	796,106	
Employee Benefits	314,638	
Administrative	181,059	
Depreciation	514,755	
Housing Assistance Payments	5,292,444	
Program and Materials	942,060	
Total Operating Expenses		8,041,062
Operating Income (Loss)		(469,916)
<b>Non-Operating Revenues (Expenses)</b>		
Partnership Gain (Loss)	66	
Interest Income	28,056	
Interest Expense	(33,396)	
Total Non-Operating Revenues (Expenses)		(5,274)
Capital Grants - Federal Sources		238,321
Net Income (Loss)		(236,869)
Net Assets - Beginning		8,359,161
Net Assets - Ending		\$ 8,122,292

*See accompanying notes to financial statements*

# HOUSING AUTHORITY OF UTAH COUNTY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2005

### Cash Flows from Operating Activities:

Cash Receipts from Tenants, Fees, and Services	\$ 489,003
Cash Receipts from Federal Grants	7,116,308
Cash Receipts from Other Grants	32,037
Cash Payments to Suppliers	(962,215)
Cash Paid for Housing Assistance	(5,292,444)
Cash Payments to Employees for Services and Benefits	<u>(1,079,367)</u>

Net Cash Provided (Used) by Operating Activities \$ 303,322

### Cash Flows from Non-Capital Financing Activities

0

### Cash Flows from Capital and Related Financing Activities:

Acquisition and Construction of Capital Assets	(308,673)
Proceeds from Capital Grants	238,321
Interest Paid	(33,501)
Reduction of Loans and Notes Payable	<u>(75,021)</u>

Net Cash Provided (Used) by Capital and Related  
Financing Activities:

(178,874)

### Cash Flows from Investing Activities:

Interest Income	<u>28,056</u>
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### Net Increase (Decrease) in Cash and Cash Equivalents

152,504

### Cash and Cash Equivalents:

Cash and Cash Equivalents - Beginning of Year	<u>898,209</u>
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Cash and Cash Equivalents - End of Year	<u><u>\$ 1,050,713</u></u>
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*See accompanying notes to financial statements*



# HOUSING AUTHORITY OF UTAH COUNTY

## STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2005

### Reconciliation of Operating Income (Loss) to Net Cash

#### Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (469,916)
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### Adjustments to Reconcile Operating Income (Loss) to Net Cash

#### Provided (Used) by Operating Activities:

Depreciation	\$ 514,755	
(Increase) Decrease in Accounts Receivable	148,364	
(Increase) Decrease in Prepaid Expenses	26,464	
(Increase) Decrease in Inventory	(3,904)	
Increase (Decrease) in Accounts, Payroll and Related Liabilities	140,846	
Increase (Decrease) in Deposits	3,325	
Increase (Decrease) in Deferred Revenue	<u>(56,612)</u>	
Net Adjustments		<u>773,238</u>

Net Cash Provided (Used) by Operating Activities	<u>\$ 303,322</u>
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*See accompanying notes to financial statements*

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Housing Authority of Utah County (HAUC) assists low-income families of Utah County with housing needs. Several Federal and State grants provide assistance in the form of rent subsidies, public housing projects, weatherization of homes, loans, and various types of emergency programs. All services provided by HAUC and all activities and funds that are financially accountable to HAUC under GASB Statements 14 and 39 are included in these financial statements. As discussed in Note 11, HAUC is a member of and has oversight responsibility for Willow Cove, LLC and Carillon Court Limited Partnership. The Authority was organized by Utah County. It operates with its own Board of Commissioners, and reports to the State of Utah and the Federal Department of Housing and Urban Development.

**Fund Accounting**

HAUC uses only one fund to account for its operations. The proprietary fund type (enterprise fund) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Basis of Accounting**

HAUC maintains its books and financial statements in conformity with U. S. generally accepted accounting principles as applicable to governmental units. HAUC's reporting entity applied all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. HAUC is a proprietary fund and uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

**Capital Assets**

Purchased property and equipment are recorded at cost. Management has determined that assets with an original cost of \$500 or more are capital assets. Assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-30 Years
Equipment	5-10 Years

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**Inventory**

Inventory is valued at the lower of average cost or market.

**Use of Estimates** - Presenting financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates concerning assets, liabilities, revenues and expenses. Actual results may vary from these estimates.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, HAUC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**NOTE 3 – CASH AND INVESTMENTS**

The Housing Authority's carrying amount of cash and investments was \$1,050,713. The balance in the Housing Authority's bank accounts and the cash on hand was \$1,118,868 with the difference being due to outstanding checks.

**A. Deposits**

**Deposits – Custodial Credit Risk.** Custodial risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority follows the requirements of the Utah Money Management Act in handling its depository and investing transactions. The Housing Authority considers the actions of the State Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. Housing Authority funds are deposited in qualified depositories as defined by the Act. The Housing Authority policy for custodial credit risk is to follow the Utah Money Management Act. As of September 30, 2005, the Housing Authority's custodial credit risk for deposits were as follows:

<u>Depository account</u>	<u>Custodial Credit Risk</u>	<u>Balance</u>
		<u>June 30, 2005</u>
Checking and Savings	Insured and Collateralized	\$ 37,682
Total Deposits		\$ 37,682

**B. Investments**

The Housing Authority's investments are managed through participation in a sweep account with a local bank. As of September 30, 2005 the Housing Authority had the following investments:

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

Investments	Investment Maturities (in Years)			
	Less Than 1	1-5	6-10	10
Sweep - Assessor U.S.				
Government MM Fund	\$ 1,080,986	\$ -	\$ -	\$ -

**Investments – Interest Rate Risk.** The Housing Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance with the Utah Money Management Act, which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

**Investments – Credit Risk.** The Housing Authority follows the requirements of the Utah Money Management Act in handling its Depository and investing transactions. The Housing Authority funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the Housing Authority to invest in certificates of Deposits, U.S. Treasury obligations, U.S. agency issues, restricted mutual funds, and obligations of governmental entities within the State of Utah. The Housing Authority's investments are invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the investments. The degree of risk of the investments depends on the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The Housing Authority considers the actions of the Council to be necessary and sufficient for adequate protection of its investments. The Housing Authority has no investment policy that would further limit its investment choices.

At September 30, 2005 the Housing Authority had the following sweep investment account which invests in securities backed by the U.S. Government:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating</u>
Sweep - Assessor U.S. Government		
M.M. Fund	<u>\$1,080,986</u>	Not Rated

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

Investments - Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Housing Authority's \$1,080,986 investment in a sweep account, the entire amount of underlying securities are held by the Investment's counterparty, not in the Housing Authority's name and are not insured. The Housing Authority's investment arrangements primarily invest in a local bank's sweep account which meets the allowable investments of the Utah Money Management Act. The Housing Authority does not have an investment policy for custodial credit risk.

**NOTE 3 - RECEIVABLES**

Receivables at September 30, 2005 consist of the following:

HUD	\$ 136,698
Other Governments	163,176
Other Grants	6,496
Rents (Net of Allowance for Uncollectibles of \$151)	1,012
Other	<u>4,205</u>
	<u><b>\$311,587</b></u>

**NOTE 4 - CAPITAL ASSETS**

A summary of the changes in capital assets is as follows:

	Balance 10/01/2004	Increases	Decreases	Balance 9/30/2005
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 1,293,125	\$ 15,135	\$ -	\$ 1,308,260
Construction in progress	<u>1,649,867</u>	<u>238,923</u>	<u>(1,470,589)</u>	<u>418,201</u>
Total capital assets not being depreciated	<u>2,942,992</u>	<u>238,923</u>	<u>(1,470,589)</u>	<u>1,711,326</u>
Capital assets being depreciated				
Buildings	9,159,121	1,333,375		10,492,496
Improvements	110,520	160,779		271,299
Vehicles and equipment	<u>449,180</u>	<u>31,930</u>	<u>(29,721)</u>	<u>451,389</u>
Total capital assets being depreciated	<u>9,718,821</u>	<u>1,526,084</u>	<u>(29,721)</u>	<u>11,215,184</u>

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

Less accumulated depreciation for:

Buildings	3,388,599	453,305		3,841,904
Improvements	11,995	8,863		20,858
Vehicles and equipment	325,438	52,587	(28,841)	349,184
Total accumulated depreciation	<u>3,726,032</u>	<u>514,755</u>	<u>(28,841)</u>	<u>4,211,946</u>
Total capital assets being depreciated - net	<u>5,992,789</u>	<u>1,011,329</u>	<u>(880)</u>	<u>7,003,238</u>
Business-type activities capital assets - net	<u>\$ 8,935,781</u>	<u>\$ 1,250,252</u>	<u>\$(1,471,469)</u>	<u>\$ 8,714,564</u>

**NOTE 5 - LONG-TERM DEBT**

A summary of the changes in long-term debt is as follows:

	Balance 10/1/2004	Addition	Deduction	Balance 9/30/2005	Due Within One Year
Family Self Sufficiency	\$ 49,570	\$ 41,999	\$ -	\$ 91,569	\$ 45,785
Compensated Absences	62,066	16,517	-	78,583	43,521
Yarrow Development - UDCED #1	309,342	-	4,724	304,618	4,983
Yarrow Development - UDCED #2	21,192	-	430	20,762	454
Yarrow Development - UVCCC	160,823	-	6,307	154,516	6,307
Office Building Note - Monson	44,329	-	14,871	29,458	16,266
Sunflower - UVCCC	74,667	-	4,642	70,025	4,642
Sunflower - UDCED	100,000	-	-	100,000	-
Spring Lake - USDA #1	616,165	-	17,152	599,013	17,320
Spring Lake - USDA #2	168,957	-	4,365	164,592	4,408
Spring Lake - UVCCC	648,553	-	15,271	633,282	16,878
Hollows - UVCCC	134,000	-	7,258	126,742	6,700
NV2 - UVCCC	157,570	-	-	157,570	2,436
	<u>\$ 2,547,234</u>	<u>\$ 58,516</u>	<u>\$ 75,020</u>	<u>\$ 2,530,730</u>	<u>\$ 169,700</u>

The mortgage dated September 1993, payable to Jesse and June Monson on the office building for \$150,000 is payable at 9% interest for 180 monthly payments of \$1,521 until June 2007. The current portion is \$16,266; long-term is \$13,192.

The Yarrow note payable to the Utah Valley Consortium of Cities and County is a 30-year loan for \$189,200. The loan has no interest. The payments are \$526 per month. The current portion is \$6,307; long-term is \$148,209.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

The Yarrow note payable #1 to the Utah Department of Community and Economic Development is a 30 year, 5% interest note. The total loan is \$21,433; payments are \$123 per month starting March, 2005. The current portion is \$454, long-term is \$20,308.

The Yarrow note payable #2 to the Utah Department of Community and Economic Development is a 30 year, 5% interest note. The total contract is for \$333,433. The payment is \$1,675 per month starting March 2005. The current portion is \$4,983; long-term is \$299,635.

The Sunflower note payable to the consortium is a total contract for \$92,850. The loan bears no interest. The payments are \$387 per month for 20 years. The current portion is \$4,642; long-term is \$65,383.

The Spring Lake note payable #1 to the United States Department of Agriculture is a loan of \$617,587 to finance rural housing projects. The interest rate is 1% from July 1, 2002. The loan period is 33 years starting July 1, 2002. All payments were deferred until the project was completed in 2005. At that time, the deferred interest was added to the loan and monthly payments of \$1,936 started. The current portion is \$17,320; long term is \$581,693.

The Spring Lake note payable #2 to the United States Department of Agriculture is \$169,318, at 1% interest. The payments are \$503 per month for 33 years. The current portion is \$4,408; long-term is \$160,184.

The Spring Lake note payable to Utah Valley Consortium of Cities and County is \$650,000 at 1% interest. The payments are \$1,928 per month for 33 years. The current portion is \$16,878; long-term is \$616,404.

The Sunflower note payable to Utah Department of Community and Economic Development is a 20 year, 0% interest note, with all payments deferred. However, if the property changes use, the note will bear interest at 8% and will be due and payable in full. At the end of 20 years, the note will be renegotiated. The balance at year end is \$100,000.

The Hollows note payable to the Utah Valley Consortium of Cities and County is a construction loan for \$134,000 at a 0% interest rate. The payments are \$558 per month starting about October, 2005 and go for 20 years. The current portion is \$6,700; long-term is \$120,042.

The NV2 note payable to Utah Valley Consortium of Cities and County is a loan to buy and renovate the Stratton Duplex. The total loan is for \$175,400 at 0% interest for 30 years. The payments are expected to be \$487 per month starting 60 days after the renovation of the property is completed. The estimated completion date is after September 30, 2005. The amount drawn as of year end is \$157,570.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

The maturities for the debt are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 80,394	\$ 31,928
2007	81,398	29,771
2008	68,889	28,587
2009	69,592	27,884
2010	70,315	27,161
2011-2015	363,166	124,213
2016-2020	484,728	102,652
2021-2025	379,854	77,444
2026-2030	378,580	47,703
2031-2035	330,618	14,785
2036-2037	53,044	110
Total	<u>\$2,360,578</u>	<u>\$512,238</u>

**NOTE 6 - RETIREMENT PLANS**

**Local Governmental - Cost Sharing**

*Plan Description.* Housing Authority of Utah County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.



**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

*Funding Policy.* Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (the Housing Authority has elected to pay this for the employees) and Housing Authority of Utah County is required to contribute 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System the Housing Authority of Utah County is required to contribute 11.09% of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Housing Authority of Utah County contributions to the Local Governmental Contributory Retirement System for the years ending September 30, 2005, 2004 and 2003 were \$12,703, \$11,048 and \$12,483 respectively and for the Noncontributory Retirement System the contributions for September 30, 2005, 2004 and 2003 were \$89,773, \$73,188 and \$59,765 respectively. The contributions were equal to the required contributions for each year and were remitted timely.

**Supplementary Retirement Account 401(a)**

This plan is managed by the Prudential Insurance Company. All eligible employees of Housing Authority of Utah County are enrolled. All of the required contributions are paid by the employer. The rate of contribution is 8.25% of total salary except for one employee who receives 8.25% plus an extra amount equal to state retirement. This employee has elected not to participate in the state retirement program. The amount of contributions paid during the year was \$91,330. The total salary subject to the retirement contributions was \$984,134. All employees are one hundred percent vested in all contributions made to this plan.

**Pension Plan 401(k)**

The Plan is managed by Prudential Insurance Company. All full-time employees of Housing Authority of Utah County are enrolled in this plan. Employees may elect to contribute 2%, 3%, 4%, or 5% of their salary to the plan and Housing Authority of Utah County will equally match the contributions. The amount of contributions paid during the year by employees was \$46,542 and by the employer was \$46,542. The total of \$93,084 is 9.5% of the covered payroll of \$984,134.

**NOTE 7 - ECONOMIC DEPENDENCY**

Substantially all of the revenues received by the Housing Authority of Utah County come from U.S. Departments of Housing & Urban Development, Energy, and Health and Human Services. Programs operated by the Housing Authority depend upon continued funding by the U.S. Government.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**NOTE 8 - REHABILITATION LOANS RECEIVABLE**

Between 1974 and 1981, Utah State issued grants to the Housing Authority of Utah County to provide loans and grants to low income homeowners to refurbish their residences. Some of these loans are at 0% interest rate, but most have a set interest rate and payment schedule. Some of these loans are delinquent, but those over \$500 are secured by real estate. Some of these loans will not be collected until the property ceases to be the mortgagee's principal residence. The balance of these loans at year end, net of allowance for uncollectibles of \$566, is \$28,492, of which \$3,792 is current.

**NOTE 9 - DESIGNATED NET ASSETS**

The Board has designated certain amounts to cover future unemployment benefits, vacation payments, and for equipment replacement in the amount of \$70,397.

**NOTE 10 - COMMITMENTS AND SUBSEQUENT EVENTS**

The Housing Authority of Utah County is currently conducting modernization and rehabilitation projects on public housing units. CFP04 for \$231,258 was 99% completed during the year. A contract for CFP05 for \$223,318 is about 68% completed at year end. The Stratton project has an uncompleted contract of \$67,445, which is 35% complete at year end.

**NOTE 11 - INVESTMENT IN PARTNERSHIPS**

**Willow Cove LLC**

In December, 1993, Housing Authority of Utah County formed Willow Cove, LLC, a limited liability company, to operate a transitional housing project. HAUC invested \$293,800 in the project and is managing the rental units. This partnership was formed with First Security Bank (now Wells Fargo Bank) to obtain tax credit financing. Financial statements are available at Housing Authority of Utah County.

Housing Authority of Utah County has a 1% share of profits and losses and a 81% share of the equity. HAUC records its share of the profits and losses and adjusts its investment in Willow Cove LLC, accordingly. Included in Willow Cove's liabilities is a note payable to Utah Valley Consortium of Cities and County in the amount of \$110,291 at December 31, 2004, payable \$1,051 per month at 0% interest.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**Carillon Court Limited Partnership**

During the year 2000, Housing Authority of Utah County founded Carillon Court Limited Partnership and Carillon Court Apts., Inc. (a C Corporation). The corporation is the managing partner of the limited partnership. The limited partnership was formed with Countryside Corporate Tax Credits VII to obtain tax credit financing. Financial statements are available at the Housing Authority office. HAUC invested \$477,059 in the rental project. HAUC has a .01% share of profits and losses and a 46% share of the equity. Carillon Court Limited Partnership has a note payable to Utah Valley Consortium of Cities and County in the amount of \$224,250 at December 31, 2004, payable at \$1,083 per month at 0% interest for 20 years.

Summary information for Willow Cove LLC and Carillon Court as of December 31, 2004, the last year end (unaudited), is as follows:

	<u>Willow Cove LLC</u>	<u>Carillon Court LLC</u>
<b>Assets</b>		
Current Assets	\$ 41,295	\$ 36,370
Fixed Assets - (Net of Depreciation)	404,357	1,251,458
Other Assets	35,604	20,516
Total Assets	<u>\$481,256</u>	<u>\$1,308,344</u>
<b>Liabilities</b>	\$135,362	\$ 264,250
<b>Equity</b>	<u>345,894</u>	<u>1,044,094</u>
Total Liabilities & Equity	<u>\$481,256</u>	<u>\$1,308,344</u>
<b>Revenues</b>		
Rental Income	\$ 73,250	\$ 94,931
Interest Income	58	112
Total Revenues	<u>73,308</u>	<u>95,043</u>
<b>Expenses</b>		
Depreciation	20,655	38,916
Other Expenses	46,145	49,674
Total Expenses	<u>66,800</u>	<u>88,590</u>
Net Income	<u>\$ 6,508</u>	<u>\$ 6,453</u>

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**NOTE 12 – INTER-PROGRAM TRANSACTIONS**

Inter-program payables and receivables at year end are:

	<u>Due From</u>	<u>Due To</u>
HOME		\$ 30,893
Rehab Loans	\$103,917	
Weatherization – Liheap		74,445
Other Energy	55,031	
CFP		12,393
Section 8	12,393	
Weatherization - DOE		<u>53,610</u>
	<u>\$171,341</u>	<u>\$171,341</u>

**NOTE 13 - RISK MANAGEMENT**

The Housing Authority of Utah County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Housing Authority of Utah County to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A minimal deductible applies to these policies which the HAUC pays in the event of any loss. HAUC also has purchased a workers' compensation policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **SUPPORTING INFORMATION**

# HOUSING AUTHORITY OF UTAH COUNTY

## COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS

BALANCE SHEET

SEPTEMBER 30, 2005

ASSETS	Section 8 Voucher	CFP	Public Housing	Monson Building	NV/SV	Sunflower Property	WX Fee for Service	SHELTER+
Current								
Cash and Investments	\$ 499,760	\$ -	\$ 365,955	\$ 186,343	\$ (14,334)	\$ 9,971	\$ 5,788	\$ -
Due from Other Programs	12,393							
Receivables	897	16,853	20,461					
Inventory								
Prepaid Expenses								
Rehabilitation Loans								
Total Current Assets	513,050	16,853	386,416	186,343	(14,334)	9,971	5,788	-
NonCurrent								
Rehabilitation Loans								
Investment in Partnerships				770,180				
Land, Building, & Equipment (Net of Depreciation)				186,840				
Total NonCurrent Assets	12,278	680,031	4,919,134	957,020	831,130	412,160		
Total Assets	525,328	696,884	5,305,550	1,143,363	816,796	422,131	5,788	-
LIABILITIES								
Current								
Accounts/Payroll Payable	\$ 17,241	\$ 4,460	\$ 44,412	\$ 92,917	\$ 10,509	\$ 197	\$ 161	\$ -
Due to Other Programs		12,393						
Deferred Revenue			1,616					
Rental Deposits			43,497		5,588			
Family Self-Sufficiency Escrow	31,429		14,356					
Compensated Absences	6,939		8,446	6,999				
Current Portion Long-Term Debt				16,266	14,180	11,342		
Total Current Liabilities	55,609	16,853	112,327	116,182	30,277	11,539	161	-
NonCurrent								
FSS & Compensated Absences	38,367		22,802	6,998				
Long-Term Debt - HUD, Other				13,192				
Total NonCurrent Liabilities	38,367	-	22,802	20,190	623,286	285,424		
Total Liabilities	93,976	16,853	135,129	136,372	653,563	296,963	161	-
FUND EQUITY								
Invested in Capital Assets, Net of Related Debt	12,278	680,031	4,919,134	157,382	193,664	115,394		
Retained Earnings								
Reserved for Unemployment & Vacation								
Unreserved	35,900							
	383,174		251,287	849,609	(30,431)	9,774	5,627	
Total Fund Equity	431,352	680,031	5,170,421	1,006,991	163,233	125,168	5,627	-
Total Liability & Fund Equity	525,328	696,884	5,305,550	1,143,363	816,796	422,131	5,788	-

See accompanying notes to the financial statement.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2005**

ASSETS	Gateway	Rehab Loans	WX LIHEAP	WX DOE	Other Energy Programs	HOME Program	General Allocation Fund
Current							
Cash and Investments	\$ 799	\$ 14,187	\$ -	\$ -	\$ -	\$ -	\$ 6,357
Due from Other Programs		103,917			55,031		
Receivables			82,771	79,377		59,339	
Inventory			59,455	5,800			
Prepaid Expenses							
Rehabilitation Loans		3,792					
Total Current Assets	799	121,896	142,226	85,177	55,031	59,339	6,357
NonCurrent							
Rehabilitation Loans		24,134					
Investment in Partnerships							
Land, Building, & Equipment (Net of Depreciation)		3,773	14,249	8,074	161		
Total NonCurrent Assets	-	27,907	14,249	8,074	161	-	-
Total Assets	\$ 799	\$ 149,803	\$ 156,475	\$ 93,251	\$ 55,192	\$ 59,339	\$ 6,357
LIABILITIES							
Current							
Accounts/Payroll Payable	\$ 81	\$ 172	\$ 8,326	\$ 26,239	\$ -	\$ 28,446	\$ 6,357
Due to Other Programs			74,445	53,610		30,893	
Deferred Revenue	718						
Rental Deposits							
Family Self-Sufficiency Escrow					11,623		
Compensated Absences		9,514					
Current Portion Long-Term Debt							
Total Current Liabilities	799	9,686	82,771	79,849	11,623	59,339	6,357
NonCurrent							
FSS & Compensated Absences		1,057			11,623		
Long-Term Debt - HUD, Other							
Total NonCurrent Liabilities	-	1,057	-	-	11,623	-	-
Total Liabilities	799	10,743	82,771	79,849	23,246	59,339	6,357
FUND EQUITY							
Invested in Capital Assets, Net of Related Debt		3,773	14,249	8,074	161		
Retained Earnings							
Reserved for Unemployment & Vacation					34,497		
Unreserved	-	135,287	59,455	5,328	(2,712)	-	
Total Fund Equity	-	139,060	73,704	13,402	31,946	-	
Total Liabilities & Fund Equity	\$ 799	\$ 149,803	\$ 156,475	\$ 93,251	\$ 55,192	\$ 59,339	\$ 6,357

See accompanying notes to the financial statement.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2005**

	Questar	PVE	UPL	Springlake	Total
<b>ASSETS</b>					
Current					
Cash and Investments	\$ (3,319)	\$ -	\$ (2,021)	\$ (18,773)	\$ 1,050,713
Due from Other Programs					171,341
Receivables	4,475		2,021	45,393	311,587
Inventory					59,455
Prepaid Expenses					5,800
Rehabilitation Loans					3,792
Total Current Assets	1,156	-	-	26,620	1,602,688
NonCurrent					
Rehabilitation Loans					24,134
Investment in Partnerships					770,180
Land, Building, & Equipment (Net of Depreciation)		49,833		1,612,036	8,729,699
Total NonCurrent Assets	-	49,833	-	1,612,036	9,524,013
Total Assets	\$ 1,156	\$ 49,833	\$ -	\$ 1,638,656	\$ 11,126,701
<b>LIABILITIES</b>					
Current					
Accounts/Payroll Payable	\$ 1,156	\$ -	\$ -	\$ 4,819	\$ 245,493
Due to Other Programs					171,341
Deferred Revenue					2,334
Rental Deposits					54,511
Family Self-Sufficiency Escrow					45,785
Compensated Absences					43,521
Current Portion Long-Term Debt					80,394
Total Current Liabilities	1,156	-	-	38,606	643,379
NonCurrent					
FSS & Compensated Absences					80,847
Long-Term Debt - HUD, Other					2,280,183
Total NonCurrent Liabilities	-	-	-	1,358,281	2,361,030
Total Liabilities	1,156	-	-	1,407,132	3,004,409
<b>FUND EQUITY</b>					
Invested in Capital Assets, Net of Related Debt		49,833		215,149	6,369,122
Retained Earnings					70,397
Reserved for Unemployment & Vacation					1,682,773
Unreserved					8,122,292
Total Fund Equity	-	49,833	-	231,524	11,126,701
Total Liabilities & Fund Equity	\$ 1,156	\$ 49,833	\$ -	\$ 1,638,656	\$ 11,126,701

See accompanying notes to the financial statement.



**HOUSING AUTHORITY OF UTAH COUNTY**  
**COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS**  
**REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	Section 8 Voucher	CFP	Public Housing	Monson Building	NV/SV	Sunflower Property	Wx Fee for Service	SHELTER+
<b>Operating Revenues</b>								
Tenant Revenue	\$ -	\$ -	\$ 225,838	\$ 51,336	\$ 79,252	\$ 31,200	\$ -	\$ -
Federal Sources	5,699,413	34,248	190,616					188,603
Other	20,209		8,309	496	379		4,308	
Total Operating Revenues	<u>5,719,622</u>	<u>34,248</u>	<u>424,763</u>	<u>51,832</u>	<u>79,631</u>	<u>31,200</u>	<u>4,308</u>	<u>188,603</u>
<b>Operating Expenses</b>								
Salaries	345,423		95,049		22,874	9,308	1,771	12,746
Employee Benefits	136,739		37,696	-	9,043	3,680	705	5,034
Administrative	111,307	2,671	21,285	-	2,186	2,743	203	
Depreciation	2,813	42,830	366,645	8,631	25,307	14,031		170,823
Housing Assistance	5,121,621							
Program and Materials		11,577	351,298	32,342	23,240	1,208	1,175	
Total Expenses	<u>5,717,903</u>	<u>57,078</u>	<u>871,973</u>	<u>40,973</u>	<u>82,650</u>	<u>30,970</u>	<u>3,854</u>	<u>188,603</u>
Operating Income (Loss)	<u>1,719</u>	<u>(22,830)</u>	<u>(447,210)</u>	<u>10,859</u>	<u>(3,019)</u>	<u>230</u>	<u>454</u>	<u>-</u>
<b>Non-Operating Revenues (Expenses)</b>								
Partnership Gain (Loss)				66				
Interest Income	11,998		8,342	3,974			184	
Interest Expense				(3,275)	(16,406)			
Total Non-Operating Revenue (Expenses)	<u>11,998</u>	<u>-</u>	<u>8,342</u>	<u>765</u>	<u>(16,406)</u>	<u>-</u>	<u>184</u>	<u>-</u>
<b>Capital Grants - Federal Sources</b>		<u>202,544</u>						
Excess (Deficiency) of Revenues Over Expenses	13,717	179,714	(438,868)	11,624	(19,425)	230	638	-
Retained Earnings - Beginning	460,404	520,317	5,589,289	995,367	182,658	124,938	4,989	
Transfers	<u>(42,769)</u>	<u>(20,000)</u>	<u>20,000</u>					
Retained Earnings - Ending	<u>\$ 431,352</u>	<u>\$ 680,031</u>	<u>\$ 5,170,421</u>	<u>\$ 1,006,991</u>	<u>\$ 163,233</u>	<u>\$ 125,168</u>	<u>\$ 5,627</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**COMBINING STATEMENT OF INDIVIDUAL GRANTS AND PROGRAMS**  
**REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	Gateway	Rehab Loan	WX LIHEAP Program	WX Doe	Other Energy Programs	HOME Program	General Allocation Fund
<b>Operating Revenues</b>							
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	4,296		547,685	291,151		59,339	
Other							
Total Operating Revenues	<u>4,296</u>	<u>-</u>	<u>547,685</u>	<u>291,151</u>	<u>-</u>	<u>59,339</u>	<u>-</u>
<b>Operating Expenses</b>							
Salaries	2,076	2,791	159,555	134,014		598	
Employee Benefits	820	1,103	62,816	52,637		238	
Administrative	67	14,220	13,294	3,653	5,949	287	
Depreciation			14,788	2,046	322		
Housing Assistance							
Program and Materials	1,333		304,403	98,098		58,216	
Total Expenses	<u>4,296</u>	<u>18,114</u>	<u>554,856</u>	<u>290,448</u>	<u>6,271</u>	<u>59,339</u>	<u>-</u>
Operating Income (Loss)	<u>-</u>	<u>(18,114)</u>	<u>(7,171)</u>	<u>703</u>	<u>(6,271)</u>	<u>-</u>	<u>-</u>
<b>Non-Operating Revenues (Expenses)</b>							
Partnership Gain (Loss)							
Interest Income		2,170			1,346		
Interest Expense							
Total Non-Operating Revenue (Expenses)	<u>-</u>	<u>2,170</u>	<u>-</u>	<u>-</u>	<u>1,346</u>	<u>-</u>	<u>-</u>
Capital Grants - Federal Sources							
Excess (Deficiency) of Revenues Over Expenses	-	(15,944)	(7,171)	703	(4,925)	-	-
Retained Earnings - Beginning	-	155,004	80,875	12,699	36,871	-	-
Transfers							
Retained Earnings - Ending	<u>\$ -</u>	<u>\$ 139,060</u>	<u>\$ 73,704</u>	<u>\$ 13,402</u>	<u>\$ 31,946</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF UTAH COUNTY**  
**COMBINING STATEMENTS OF INDIVIDUAL GRANTS AND PROGRAMS**  
**REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	Questar	PVE	UPL	Spring Lake	Total
<b>Operating Revenues</b>					
Tenant Revenue	\$ -	\$ -	\$ -	\$ 100,937	\$ 488,563
Federal Sources				-	7,015,351
Other	8,781	15,864	7,392	1,494	67,232
<b>Total Operating Revenues</b>	<b>8,781</b>	<b>15,864</b>	<b>7,392</b>	<b>102,431</b>	<b>7,571,146</b>
<b>Operating Expenses</b>					
Salaries	6,140	1,431	1,238	1,092	796,106
Employee Benefits	2,641	568	489	429	314,638
Administrative			10	3,184	181,059
Depreciation		12,429		24,913	514,755
Housing Assistance					5,292,444
Program and Materials			5,655	53,515	942,060
<b>Total Expenses</b>	<b>8,781</b>	<b>14,428</b>	<b>7,392</b>	<b>83,133</b>	<b>8,041,062</b>
<b>Operating Income (Loss)</b>	<b>-</b>	<b>1,436</b>	<b>-</b>	<b>19,298</b>	<b>(469,916)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Partnership Gain (Loss)					66
Interest Income				42	28,056
Interest Expense				(13,715)	(33,396)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,673)</b>	<b>(5,274)</b>
<b>Capital Grants - Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,777</b>	<b>238,321</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>-</b>	<b>1,436</b>	<b>-</b>	<b>41,402</b>	<b>(236,869)</b>
<b>Retained Earnings - Beginning</b>		48,397		147,353	8,359,161
<b>Transfers</b>				42,769	-
<b>Retained Earnings - Ending</b>	<b>\$ -</b>	<b>\$ 49,833</b>	<b>\$ -</b>	<b>\$ 231,524</b>	<b>\$ 8,122,292</b>

See accompanying notes to the financial statements.

**SINGLE AUDIT AND OTHER REPORTS**

**HOUSING AUTHORITY OF UTAH COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grant I.D. Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
Direct			
Shelter Plus Care	14.238	N/A	\$ 188,603
Public & Indian Housing	14.850	N/A	190,616
Section 8 Housing Choice Vouchers	14.871	N/A	5,718,470
Public Housing Capital Fund - CFP04	14.872	N/A	236,792
Passed Through Utah Valley Consortium of Cities and Counties			
HOME Investment Partnerships Program	14.239	N/A	95,115
Total U.S. Department of Housing & Urban Dev.			<u>6,429,596</u>
<b><u>U.S. Department of Energy</u></b>			
Passed Through Utah Department of Community & Economic Development			
Weatherization Assistance for Low-Income Persons	81.042	05-0790	204,137
Weatherization Assistance for Low-Income Persons	81.042	04-0115	87,014
Total U.S. Department of Energy			<u>291,151</u>
<b><u>U.S. Department of Education</u></b>			
Passed Through State Office of Education & Alpine Life and Learning Center			
Adult Education State Grant Program	84.002	N/A	<u>4,296</u>
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
Passed Through Utah Department of Community & Economic Development			
Low-Income Home Energy Assistance	93.568	04-1856	253,954
Low-Income Home Energy Assistance	93.568	05-1837	293,731
Total U.S. Department of Health & Human Services			<u>547,685</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u>\$ 7,272,728</u>

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

**HOUSING AUTHORITY OF UTAH COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the HAUC'S expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the basic financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of Federal funds are made, revenue is recognized.

**NOTE B - ACCOUNTS RECEIVABLE**

The basic financial statements include accounts receivable from federal programs. The receivables reflect Federal awards that have been expended by year end and not yet reimbursed.

**NOTE C - FEDERAL LOANS**

The balances of loans from Federal programs at year end are:

	<u>CFDA#</u>	<u>Amount</u>
U.S. Department of Agriculture	10.405	\$ 599,013
U.S. Department of Agriculture	10.405	164,592
U.S. Department of Housing & Urban Development	14.239	633,282
U.S. Department of Housing & Urban Development	14.239	70,025
U.S. Department of Housing & Urban Development	14.239	126,742
U.S. Department of Housing & Urban Development	14.239	154,516
U.S. Department of Housing & Urban Development	14.239	20,762
U.S. Department of Housing & Urban Development	14.239	304,618
U.S. Department of Housing & Urban Development	14.239	157,570
Total		<u>\$2,231,120</u>

**HOUSING AUTHORITY OF UTAH COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Housing Authority of Utah County.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of HAUC were disclosed during the audit.
4. No reportable conditions were identified during the audit of internal control over major Federal award programs.
5. The auditor's report on compliance for the major Federal award programs for HAUC expresses an unqualified opinion.
6. No findings were identified relative to major Federal award programs.
7. The programs tested as major programs included:  
CFDA #14.871 - Section 8 Housing Choice Vouchers
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Housing Authority of Utah County was determined to be a low-risk auditee.

**B. CURRENT YEAR AUDIT FINDINGS**

None

**C. PRIOR YEAR AUDIT FINDINGS**

None

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Housing Authority of Utah County  
Provo, UT

March 6, 2006

We have audited the financial statements of the business-type activities of Housing Authority of Utah County, as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority of Utah County's basic financial statements and have issued our report thereon dated March 6, 2006. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.


Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of Utah County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of Utah County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Housing Authority of Utah County  
Provo, UT

March 6, 2006

**Compliance**

We have audited the compliance of Housing Authority of Utah County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended September 30, 2005. Housing Authority of Utah County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Housing Authority of Utah County's management. Our responsibility is to express an opinion on Housing Authority of Utah County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of Utah County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Housing Authority of Utah County's compliance with those requirements.

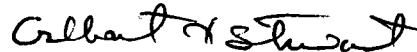
In our opinion, Housing Authority of Utah County complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended September 30, 2005.

**Internal Control Over Compliance**

The management of Housing Authority of Utah County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Housing Authority of Utah County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, Utah State Auditor, U.S. Department of Housing and Urban Development and other pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



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**INDEPENDENT AUDITOR'S REPORT ON  
LEGAL COMPLIANCE WITH APPLICABLE  
UTAH STATE LAWS AND REGULATIONS**

Housing Authority of Utah County  
Provo, UT

March 6, 2006

We have audited the accompanying financial statements of the business-type activities of Housing Authority of Utah County, for the year ended September 30, 2005, and have issued our report thereon dated March 6, 2006. The Housing Authority of Utah County received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Housing Authority of Utah County's financial statements.)

Petroleum Violation Escrow (Department of Human Services)

Our audit included test work on the Housing Authority of Utah County's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Cash Management  
Purchasing Requirements  
Other General Issues

The Housing Authority of Utah County did not receive any major State grants during the year ended September 30, 2005.

The management of the Housing Authority of Utah County is responsible for Housing Authority of Utah County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

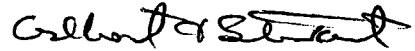
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Utah County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Housing Authority of Utah County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or

unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended September 30, 2005.

This report is intended solely for the information of management and Utah State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.



GILBERT & STEWART  
*Certified Public Accountants*

**HUD SCHEDULE**

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
111	Cash - Unrestricted	\$31,297	\$0	\$0	\$50	\$50	\$0	\$100
100	Total Cash	\$31,297	\$0	\$0	\$50	\$50	\$0	\$100
121	Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$19,609	\$897	\$16,853	\$0
124	Accounts Receivable - Other Government	\$35,777	\$0	\$59,339	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$9,456	\$0	\$0	\$0	\$0	\$0	\$6,496
126	Accounts Receivable - Tenants - Dwelling Rents	\$160	\$0	\$0	\$1,003	\$0	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$-151	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127	Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$3,792
120	Total Receivables, net of allowances for doubtful accounts	\$45,393	\$0	\$59,339	\$20,461	\$897	\$16,853	\$10,288
131	Investments - Unrestricted	\$144,055	\$0	\$0	\$365,905	\$499,710	\$0	\$8,747
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$0	\$0	\$12,393	\$0	\$158,948
150	Total Current Assets	\$220,745	\$0	\$59,339	\$386,416	\$513,050	\$16,853	\$178,083
161	Land	\$333,858	\$0	\$0	\$955,495	\$0	\$0	\$3,773
168	Infrastructure	\$201,863	\$0	\$0	\$16,908	\$0	\$50,000	\$0
162	Buildings	\$2,717,473	\$0	\$0	\$7,431,324	\$0	\$343,697	\$0
163	Furniture, Equipment & Machinery - Dwellings	\$18,370	\$0	\$0	\$82,609	\$0	\$33,524	\$33,554
164	Furniture, Equipment & Machinery - Administration	\$28,803	\$0	\$0	\$3,945	\$56,781	\$8,876	\$50,069
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$-345,943	\$0	\$0	\$-3,571,147	\$-44,503	\$-86,523	\$-33,629
167	Construction In Progress	\$87,741	\$0	\$0	\$0	\$0	\$330,457	\$0
160	Total Fixed Assets, Net of Accumulated Depreciation	\$3,042,165	\$0	\$0	\$4,919,134	\$12,278	\$680,031	\$53,767
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$24,134
176	Investments in Joint Ventures	\$770,180	\$0	\$0	\$0	\$0	\$0	\$0
180	Total Non-Current Assets	\$3,812,345	\$0	\$0	\$4,919,134	\$12,278	\$680,031	\$77,901
190	Total Assets	\$4,033,090	\$0	\$59,339	\$5,305,550	\$525,328	\$696,884	\$255,984

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
312	Accounts Payable <= 90 Days	\$100,347	\$0	\$27,834	\$13,222	\$592	\$2,662	\$3
321	Accrued Wage/Payroll Taxes Payable	\$2,054	\$0	\$612	\$14,558	\$16,649	\$1,798	\$1,326
322	Accrued Compensated Absences - Current Portion	\$6,999	\$0	\$0	\$8,446	\$6,939	\$0	\$21,136
325	Accrued Interest Payable	\$2,742	\$0	\$0	\$0	\$0	\$0	\$0
341	Tenant Security Deposits	\$11,014	\$0	\$0	\$43,497	\$0	\$0	\$0
342	Deferred Revenues	\$0	\$0	\$0	\$1,616	\$0	\$0	\$0
348	Loan Liability - Current	\$80,394	\$0	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$3,115	\$0	\$0	\$14,356	\$31,429	\$0	\$0
346	Accrued Liabilities - Other	\$6,701	\$0	\$0	\$16,632	\$0	\$0	\$0
347	Interprogram Due To	\$0	\$0	\$30,893	\$0	\$0	\$12,393	\$0
310	Total Current Liabilities	\$213,366	\$0	\$59,339	\$112,327	\$55,609	\$16,853	\$22,465
354	Accrued Compensated Absences - Non Current	\$6,998	\$0	\$0	\$8,446	\$6,938	\$0	\$12,680
355	Loan Liability - Non Current	\$2,280,184	\$0	\$0	\$0	\$0	\$0	\$0
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$14,356	\$31,429	\$0	\$0
350	Total Noncurrent Liabilities	\$2,287,182	\$0	\$0	\$22,802	\$38,367	\$0	\$12,680
300	Total Liabilities	\$2,500,548	\$0	\$59,339	\$135,129	\$93,976	\$16,853	\$35,145
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$681,587	\$0	\$0	\$4,919,134	\$12,278	\$680,031	\$53,787
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$850,955	\$0	\$0	\$251,287	\$419,074	\$0	\$167,072
513	Total Equity/Net Assets	\$1,532,542	\$0	\$0	\$5,170,421	\$431,352	\$680,031	\$220,839
600	Total Liabilities and Equity/Net Assets	\$4,033,090	\$0	\$59,339	\$5,305,550	\$525,328	\$696,884	\$255,984

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
703	Net Tenant Rental Revenue	\$262,325	\$0	\$0	\$198,155	\$0	\$0	\$0
704	Tenant Revenue - Other	\$400	\$0	\$0	\$27,683	\$0	\$0	\$0
705	Total Tenant Revenue	\$262,725	\$0	\$0	\$225,838	\$0	\$0	\$0
706	HUD PHA Operating Grants	\$0	\$188,603	\$0	\$171,007	\$5,699,413	\$34,248	\$0
706.1	Capital Grants	\$35,777	\$0	\$0	\$0	\$0	\$202,544	\$0
708	Other Government Grants	\$0	\$0	\$59,339	\$19,609	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$4,200	\$0	\$0	\$8,342	\$11,998	\$0	\$3,063
712	Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$453
714	Fraud Recovery	\$0	\$0	\$0	\$0	\$10,336	\$0	\$0
715	Other Revenue	\$6,743	\$0	\$0	\$8,309	\$9,873	\$0	\$32,038
700	Total Revenue	\$309,445	\$188,603	\$59,339	\$433,105	\$5,731,620	\$236,792	\$35,554



PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
911	Administrative Salaries	\$27,690	\$12,746	\$598	\$95,049	\$345,423	\$0	\$397
912	Auditing Fees	\$490	\$0	\$0	\$2,000	\$5,085	\$200	\$125
913	Outside Management Fees	\$22,694	\$0	\$0	\$0	\$0	\$0	\$0
914	Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$16,518
915	Employee Benefit Contributions - Administrative	\$10,952	\$5,034	\$238	\$37,696	\$136,740	\$0	\$157
916	Other Operating - Administrative	\$10,446	\$0	\$48	\$16,415	\$66,855	\$2,471	\$7,229
931	Water	\$8,614	\$0	\$0	\$19,171	\$0	\$0	\$0
932	Electricity	\$11,153	\$0	\$0	\$2,785	\$0	\$0	\$0
933	Gas	\$9,051	\$0	\$0	\$3,314	\$0	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$14,084	\$0	\$0	\$129,161	\$0	\$0	\$8,639
942	Ordinary Maintenance and Operations - Materials and Other	\$4,593	\$0	\$0	\$56,610	\$0	\$3,846	\$5,345
943	Ordinary Maintenance and Operations - Contract Costs	\$22,400	\$0	\$58,216	\$39,355	\$0	\$6,050	\$310
945	Employee Benefit Contributions - Ordinary Maintenance	\$5,566	\$0	\$0	\$50,924	\$0	\$0	\$3,417
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
961	Insurance Premiums	\$11,561	\$0	\$224	\$31,897	\$18,862	\$0	\$0
962	Other General Expenses	\$2,484	\$0	\$15	\$3,049	\$19,584	\$1,681	\$98
963	Payments in Lieu of Taxes	\$6,701	\$0	\$0	\$16,632	\$0	\$0	\$0
964	Bad Debt - Tenant Rents	\$221	\$0	\$0	\$0	\$0	\$0	\$0
967	Interest Expense	\$33,396	\$0	\$0	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$202,096	\$17,780	\$59,339	\$504,058	\$592,549	\$14,248	\$42,235
970	Excess Operating Revenue over Operating Expenses	\$107,349	\$170,823	\$0	\$-70,953	\$5,139,071	\$222,544	\$-6,681
971	Extraordinary Maintenance	\$0	\$0	\$0	\$1,270	\$0	\$0	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$920	\$0	\$0
973	Housing Assistance Payments	\$0	\$170,823	\$0	\$0	\$5,121,621	\$0	\$0
974	Depreciation Expense	\$72,882	\$0	\$0	\$366,645	\$2,813	\$42,830	\$12,751
900	Total Expenses	\$274,978	\$188,603	\$59,339	\$871,973	\$5,717,903	\$57,078	\$54,986
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$34,467	\$0	\$0	\$-438,868	\$13,717	\$179,714	\$-19,432

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	Shelter Plus Care	HOME Investment Partnerships Program	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,455,306	\$0	\$0	\$5,589,289	\$460,404	\$520,317	\$240,271
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$42,769	\$0	\$0	\$20,000	\$-42,769	\$-20,000	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$5,730,695	\$0	\$0
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$0	\$5,730,695	\$0	\$0
1120	Unit Months Available	288	434	0	1,272	11,424	0	0
1121	Number of Unit Months Leased	277	434	0	1,234	11,035	0	0

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
111	Cash - Unrestricted	\$0	\$799	\$0	\$32,296
100	Total Cash	\$0	\$799	\$0	\$32,296
121	Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$37,359
124	Accounts Receivable - Other Government	\$79,378	\$0	\$82,771	\$257,265
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$15,952
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$1,163
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$-151
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127	Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$3,792
120	Total Receivables, net of allowances for doubtful accounts	\$79,378	\$0	\$82,771	\$315,380
131	Investments - Unrestricted	\$0	\$0	\$0	\$1,018,417
142	Prepaid Expenses and Other Assets	\$5,800	\$0	\$0	\$5,800
143	Inventories	\$0	\$0	\$59,455	\$59,455
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$0	\$171,341
150	Total Current Assets	\$85,178	\$799	\$142,226	\$1,602,689
161	Land	\$0	\$0	\$0	\$1,293,126
168	Infrastructure	\$0	\$0	\$0	\$268,771
162	Buildings	\$0	\$0	\$0	\$10,492,494
163	Furniture, Equipment & Machinery - Dwellings	\$5,150	\$0	\$4,754	\$177,961
164	Furniture, Equipment & Machinery - Administration	\$13,776	\$0	\$128,843	\$291,093
165	Leasehold Improvements	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$-10,852	\$0	\$-119,348	\$-4,211,945
167	Construction In Progress	\$0	\$0	\$0	\$418,198
160	Total Fixed Assets, Net of Accumulated Depreciation	\$8,074	\$0	\$14,249	\$8,729,698
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$24,134
176	Investments in Joint Ventures	\$0	\$0	\$0	\$770,180
180	Total Non-Current Assets	\$8,074	\$0	\$14,249	\$9,524,012
190	Total Assets	\$93,252	\$799	\$156,475	\$11,126,701

PHA: UT011 FYED: 09/30/2005

Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
312	Accounts Payable <= 90 Days	\$11,743	\$1	\$5,801	\$162,205
321	Accrued Wage/Payroll Taxes Payable	\$14,497	\$81	\$2,525	\$54,100
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$43,520
325	Accrued Interest Payable	\$0	\$0	\$0	\$2,742
341	Tenant Security Deposits	\$0	\$0	\$0	\$54,511
342	Deferred Revenues	\$0	\$717	\$0	\$2,333
348	Loan Liability - Current	\$0	\$0	\$0	\$80,394
345	Other Current Liabilities	\$0	\$0	\$0	\$48,900
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$23,333
347	Interprogram Due To	\$53,610	\$0	\$74,445	\$171,341
310	Total Current Liabilities	\$79,850	\$799	\$82,771	\$643,379
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$35,062
355	Loan Liability - Non Current	\$0	\$0	\$0	\$2,280,184
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$45,785
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$2,361,031
300	Total Liabilities	\$79,850	\$799	\$82,771	\$3,004,410
508	Total Contributed Capital	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$8,074	\$0	\$14,249	\$6,369,120
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$5,328	\$0	\$59,455	\$1,753,171
513	Total Equity/Net Assets	\$13,402	\$0	\$73,704	\$8,122,291
600	Total Liabilities and Equity/Net Assets	\$93,252	\$799	\$156,475	\$11,126,701

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Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$460,480
704	Tenant Revenue - Other	\$0	\$0	\$0	\$28,083
705	Total Tenant Revenue	\$0	\$0	\$0	\$488,563
706	HUD PHA Operating Grants	\$0	\$0	\$0	\$6,093,271
706.1	Capital Grants	\$0	\$0	\$0	\$238,321
708	Other Government Grants	\$291,151	\$4,296	\$547,685	\$922,080
711	Investment Income - Unrestricted	\$0	\$0	\$0	\$27,603
712	Mortgage Interest Income	\$0	\$0	\$0	\$453
714	Fraud Recovery	\$0	\$0	\$0	\$10,336
715	Other Revenue	\$0	\$0	\$0	\$56,963
700	Total Revenue	\$291,151	\$4,296	\$547,685	\$7,837,590

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Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
911	Administrative Salaries	\$26,852	\$2,076	\$21,010	\$531,841
912	Auditing Fees	\$2,000	\$0	\$0	\$9,900
913	Outside Management Fees	\$0	\$0	\$0	\$22,694
914	Compensated Absences	\$0	\$0	\$0	\$18,518
915	Employee Benefit Contributions - Administrative	\$10,606	\$821	\$8,443	\$210,687
916	Other Operating - Administrative	\$3,652	\$66	\$13,294	\$120,476
931	Water	\$0	\$0	\$0	\$27,785
932	Electricity	\$0	\$0	\$948	\$14,886
933	Gas	\$0	\$0	\$393	\$12,758
941	Ordinary Maintenance and Operations - Labor	\$103,756	\$0	\$138,545	\$394,185
942	Ordinary Maintenance and Operations - Materials and Other	\$41,410	\$0	\$198,118	\$309,922
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$1,333	\$104,944	\$232,608
945	Employee Benefit Contributions - Ordinary Maintenance	\$40,685	\$0	\$54,373	\$154,965
951	Protective Services - Labor	\$26,647	\$0	\$0	\$26,647
961	Insurance Premiums	\$15,053	\$0	\$0	\$77,597
962	Other General Expenses	\$17,741	\$0	\$0	\$44,652
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$23,333
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$221
967	Interest Expense	\$0	\$0	\$0	\$33,396
969	Total Operating Expenses	\$288,402	\$4,296	\$540,068	\$2,265,071
970	Excess Operating Revenue over Operating Expenses	\$2,749	\$0	\$7,617	\$5,572,519
971	Extraordinary Maintenance	\$0	\$0	\$0	\$1,270
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$920
973	Housing Assistance Payments	\$0	\$0	\$0	\$5,292,444
974	Depreciation Expense	\$2,046	\$0	\$14,788	\$514,755
900	Total Expenses	\$290,448	\$4,296	\$554,856	\$8,074,460
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$703	\$0	\$-7,171	\$-236,870

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Line Item No.	Account Description	Weatherization Assistance for Low-Income Persons	Adult Education_State Grant Program	Low-Income Home Energy Assistance	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$12,699	\$0	\$80,875	\$8,359,161
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$5,730,695
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$5,730,695
1120	Unit Months Available	0	0	0	13,418
1121	Number of Unit Months Leased	0	0	0	12,980

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